

**House Committee on International Relations**  
**Subcommittee on the Middle East and Central Asia**

Hearing on March 8, 2006:

“Palestinian Authority Elections: Implications for Peace, Regional  
Security, and U.S. Assistance”

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„Here we go: another one of those leftist European know-it-all ready to tell any American who is ready to listen how to do good things in the world. And there could not be a better cause, than spending money on suffering Palestinians who are in desperate need for international help. How dare the US even think about stopping the financial aid.“

This is, what you might think seeing me appear in front of you, of this very committee today. And you are right in one thing: I will present a somewhat European perspective, but the outcome of my reflections is less European than one could assume. Believe it or not – my experience has made me come to a very different conclusion about the financing of the Palestinian Authority. I am very honored to be given the opportunity to present to you my humble opinion on the matter, that by the way has not exactly enlarged my circle of friends back in Europe.

I hope you will excuse my rather European approach in terms of the use of technology – you will be faced with a purely oral presentation.

The European Union has since the Oslo accords in the early nineties been one of the major donors of the Palestinian Authority to help its foundation and functioning. In September 2000 the so called Intifada was initiated. When the Israeli government froze tax revenues of the Palestinian Authority shortly after, because they would be used to finance assassinations of Israelis, the EU did not stand by passively. However, it would not, as one might think, investigate whether EU aids had possibly ended up in Arafat's war chest. Rather Brussels initially granted an additional 90 million Euro as a direct budgetary assistance, followed by a regular 10 mio. Euro monthly support for the next one and a half years. The direct budgetary assistance is an unusual financial instrument, since it demands no proof for what the funds were used for from the beneficiary's side.

When allegations came up, that the EU funds might have financed Arafat's war against Israel, the European Parliament turned down in a new and creative way my proposal for an inquiry committee: The conference of Presidents did not even allow the usual vote in plenary whether such a committee was supported by a majority of the House. Other European institutions were even less curious to know, where the money went.

Though I think it is crucial to take a closer look at the background for these EU decisions and understand the reasons of the Brussels behaviour, that more than anything else has to do with the questioning of the United States global power position. But I am afraid I would need a little more than 5 minutes to elaborate on that.

A couple of words on today's political setting in the Palestinian territories:

These people have just practiced a little democracy and the majority voted for a movement, that promotes blunt anti-Semitism and even more than the last government under Mahmud Abbas. And Hamas underlines its willingness to turn the anti-jewish statements into action any time. It was made clear by party leaders, that they do not want to trade in their aim to destruct the state of Israel for good international relations. It should be no surprise that Hamas in government will use its power to implement its program, that is written in its publically accessible charta since 1988.

Today the foundation of a state of Palestine would mean the increase of the instruments of power for an aggressively antisemitic program. Giving money to the PA today, after the latest elections, is a direct financing of antisemitic nationalists.

Neither do I like to fast, nor would I promote it as a useful political tool, the less so as it is not voluntarily in the case of the Palestinians. But unfortunately one is faced with more facts than just with starving people. It was shown to anyone who would read the papers, that any innocent financing for purely humanitarian purposes does not seem to work. In European funded text books, anti-Semitic geography helps the teacher to teach a proper Palestinian primary school class, the official PA media advertise for suicide bombers daily and the refugee camps supported by the UN agency for Palestinian refugees (UNRWA), host hidden explosives' workshops. Even donations in kind in the form of food canes to the Palestinian territories have appeared on the black market. Whether the profits made from these sales have ended up in some Fatah's party leader swimming pool or were used to buy nails and explosives for a suicide terrorists' last belt – we might never know. But what we do know now even more than before is that the government took power in order to destroy Israel. This happens after not even 70 years ago a popular German leader spelt out and put into practice, what anti-Semitism really means and how to take it to its effective end. This happens in times of rising anti-Semitism, in the Arab countries, as well as in Europe and in most other places in the world. I would think it is worth a thought if one really wants to fund such a political program.